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FISCAL IMPACT STATEMENT

LS 6014

BILL NUMBER: HB 1192

NOTE PREPARED: Sep 28, 2006

BILL AMENDED:

SUBJECT: Notice of Underground Storage Tank Leaks.

FIRST AUTHOR: Rep. Ulmer

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires notice to affected or potentially affected property owners of a release of a contaminant from an underground storage tank system.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues: This bill requires a person who must report the release, spill, or overflow of a regulated substance at or around an underground storage tank (UST) site to give notice to the owners of real property where it is believed the substance has migrated or will migrate. A person who fails to give notice or gives false information is subject to a maximum \$10,000 civil penalty for each incident. Any penalty collected under this provision would be deposited in the Underground Petroleum Storage Tank Trust Fund.

Court Fee Revenue: If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Background Information: This bill applies to UST systems regulated by the Indiana Department of Environmental Management (IDEM), which include a tank and its related piping and are used to hold petroleum products or other hazardous substances. According to IDEM, as of August 30, 2006, the Leaking Underground Storage Tank Program has received 8,461 release reports and closed 5,484 sites (61%) since

the program was initiated in 1986. The program has received approximately 210 release reports per year since FY 2001 and closed between 500 and 600 sites in FY 2007. Roughly 500 owners of sites in violation are unable to pay for cleanup.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected: IDEM.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources: Bruce Palin, Assistant Commissioner, IDEM.

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